

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-316-W - ORDER NO. 94-1072
OCTOBER 10, 1994

IN RE: Request of Rural Water Co., Inc.)	ORDER DENYING
for a Transfer of Ownership to)	TRANSFER OF
Greenwood Commission of Public Works)	OWNERSHIP
for the Water Systems in Timber Lake)	
and Rosemont Subdivisions.)	

This matter comes before the Public Service Commission (the Commission) on the Application of Rural Water Company, Inc. (Rural or the Company), which requests Commission approval of the transfer of the water systems in the Timberlake and Rosemont Subdivisions to the Commission of Public Works in Greenwood County.

Subsequent to the initiation of this proceeding, the Executive Director of the Commission instructed Rural the cause to be published a prepared Notice of Filing in certain newspapers of general circulation in the affected area and to furnish the same information to each customer. The Notice of Filing indicated the nature of the Application and advised all interested parties desiring to participate in the proceedings of the manner and time in which to file the appropriate pleadings. No Petitions to Intervene were filed.

A public hearing was held in the offices of the Commission on September 22, 1994 at 10:30 a.m. The Honorable Rudolph Mitchell, presided. Rural was not represented by counsel. F. David Butler, General Counsel, represented the Commission Staff.

John C. Lake, President of Rural Water Company, Inc. appeared on behalf of Rural, and testified that he was filing for the transfer of the water systems for several reasons. First, Lake believes that there is a great degree of uncertainty of the impact of compliance with The Safe Drinking Water Act. He stated also his belief that additional chemical costs would be incurred, and equipment costs above those which are incurred at the present time. Lake also noted that he felt that current storage capacities are very limited by today's standards, and that there is a pressure problem in the Timberlake Subdivision, which would be relieved by transfer to the Commission of Public Works. Lake also stated that the South Carolina Department of Health and Environmental Control (DHEC) had strongly encouraged his company to transfer these systems, as they see this as the best long-term solution in providing quality water service at a reasonable price.

During the course of the cross-examination, it appeared that, should the Commission allow the transfer in this case, the customers would see major increases. At the present time, Rural charges a flat rate of \$6.00 per month for Timberlake Subdivision. Using an average monthly consumption of 6,000 gallons, a customer's bill would increase by \$15.01, or 250%. For the customers in the Rosemont Subdivision, Rural presently charges a


flat rate of \$12.00 per month. Customers in this subdivision would see a increase of \$9.01 per month, or 75.08%. In addition to these rates, it was revealed that each customer in the two subdivisions would be charged \$468.00 for a tap fee.

It appears to this Commission that the increased cost to the customers in these two subdivisions outweighs the benefits as stated by Mr. Lake in his testimony. It should also be noted that Edward C. Carson, Jr., who appeared as a Protestant, has been a resident of the Timberlake area since 1930. Mr. Carson testified that, as a resident of Timberlake, he would like to see the status quo maintained. Again, it appears to this Commission that the cost to the customers after the transfer far outweighs any benefits that they would see were we to grant the Company's request for a transfer. We therefore believe that the transfer of ownership of Timberlake and Rosemont Subdivisions water systems to the Commission of Public Works of Greenwood County must be denied. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)